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In This Issue...

Changes in Drug Rebate Manufacturers

Optional Sixth Dose of Synagis for the 2003-04 RSV Season

Change to Allowable Days Supply Edit

Incorrect Billing of Metric Decimal Quantities

Remittance and Status Report

Narrow Therapeutic Index Drugs

Federal Mac List Changes

INFORMATIONAL SECTION

Payment Accuracy Measurement Project for 2004-05

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Changes in Drug Rebate Manufacturers

The following changes are being made in manufacturers with Drug Rebate Agreements. They are listed by manufacturer code, which are the first five digits of the NDC.

Additions

The following labelers have entered into Drug Rebate Agreements and joined the rebate program effective on the dates indicated below:

Code	Manufacturer	Date
17270	Armstrong Pharmaceuticals	12/11/2003
60977	Baxter Healthcare	02/17/2004
63672	Synthon Pharmaceuticals, LTD	02/13/2004
64679	Wockhardt Americas	12/13/2003
67402	Skin Medica	11/24/2003
67555	Pronova Corporation	12/11/2003
67754	Harvest Pharmaceuticals	01/06/2004
67836	Morepen Max, Inc.	02/03/2004
68040	Primus Pharmaceuticals	02/02/2004
68158	Praecis Pharmaceuticals Incorporated	02/04/2004
68308	Midlothian Laboratories, LLC	12/01/2003
68322	Alamo Pharmaceuticals, LLC	02/11/2004
68453	Victory Pharma, Inc.	12/23/2003
68549	Corban Pharmaceuticals, LLC	01/07/2004

Terminated Labelers

The following labeler codes were voluntarily terminated effective **January 1, 2004**:

Genderm (Labeler Code 52761); and
Baxter Healthcare Corporation (Labeler Code 62338).

The following labeler codes are being voluntarily terminated effective **April 1, 2004**:

Marsam (Labeler Code 00209);
Abana Pharmaceuticals, Inc. (Labeler Code 12463);
Cody Laboratories, Inc. (Labeler Code 65893); and
Verum Pharmaceutical Company (Labeler Code 67000).

The following labeler code is being voluntarily terminated effective **July 1, 2004**:

Muro Pharmaceuticals, Inc. (Labeler Code 00451)

The following labeler codes were terminated effective **January 1, 2004**:

Delta Pharmaceuticals, Inc. (Labeler Code 53706);
RIJ Pharmaceutical Corporation (Labeler Code 53807);
Trigen Laboratories, Inc. (Labeler Code 59746); and
Nnodum Corporation (Labeler Code 63044)

The following labeler codes will be terminated effective **April 1, 2004**:

International Ethical Lab (Labeler Code 11584);
Hyperion Medical, Inc (Labeler Code 54002); and
Faulding Pharmaceutical Company (Labeler Code 61703).

Reinstated Labeler

The following labeler codes were reinstated in the drug rebate program effective **01/01/2004**:

Imiren Pharmaceuticals, Inc. (Labeler Code 61808); and
AM2PAT, Inc. (Labeler Code 64054).

Optional Sixth Dose of Synagis for the 2003-04 RSV Season for Previously Approved Infants

In September 2003, the criteria for prescribing Synagis for the 2003-04 respiratory syncytial virus (RSV) season was posted on ACS State Healthcare's website at <http://www.ncmedicaidpbm.com>. The criteria calls for up to five total doses of Synagis during the 2003-04 RSV season. This decision is supported both in the literature and in the American Association of Pediatrics' Redbook guidelines.

In February 2004, a group of pediatric and infectious disease specialists met to evaluate the current RSV season in North Carolina. They determined that in certain parts of North Carolina the RSV season may extend an additional month. Thus, depending on the prevalence of RSV in their community, N.C. Medicaid providers may choose to prescribe a 6th dose of Synagis given on or before March 31, 2004 for those infants who have already received approval for the 2003-04 season. The end date for the 6th dose is based on evidence that effectiveness of the drug extends well past 30 days.

In accordance with the American Association of Pediatrics' guidelines, children born in March should receive their March dose prior to discharge from the hospital.

If an additional dose is required due to prevalence of RSV in the community, medical providers should contact their pharmacy provider. The pharmacy provider will be able to adjudicate the prescription claim through point of sale (POS) by March 1, 2004.

Change to Allowable Days Supply Edit

The allowable days supply edit has been corrected to allow the appropriate adjudication for Prilosec OTC and Claritin OTC prescription claims. The current NDC's covered by Medicaid are packaged with larger quantities than the current 34 days supply allowed by Medicaid. Prilosec OTC should be dispensed with the 42-tablet package size and a 42-day supply indicated in the days supply field. Claritin OTC, when prescribed, should be dispensed with 2 packages (unopened boxes) of the 20 tablets size with a 40 days supply. For clarifications on the allowable days supply, please refer to the chart below. Further changes to the days supply edit include Ortho-Evra or Nuvaring, as with all birth control tablets, are allowed up to a 100 days supply. Hormone replacement drugs are allowed an 84 days supply, and Depo-Provera a 90 days supply. Drugs classified as non-scheduled, maintenance drugs that are on the NC State Mac or Federal Mac lists are allowed a 90-day supply if a 30+ day supply was obtained within the previous six months; this can be a single 30+ day supply or the sum of smaller supplies over the six months history. The drugs where the allowable days supply has been increased are indicated in the chart below.

NDC (if applicable)	Drug Name or Class	Up to –Allowed Days Supply
37000-0455-04	Prilosec OTC	42
11523-7160-03	Claritin Tabs, 20's (2 boxes)	40
00573-2620-48	Alavert (Fast Dissolving), 48's	48
	Lupron 4 month Kit	120
	Lupron Depot 3 Month Kit	90
	Lupron Depot 11.25mg 3 Mo	90
	Novantrone	90
	Botox	90
	Hormone replacement therapy	84
	Ortho-Evra	100
	Nuvaring	100
	Depo-Provera	90
	All Birth Control Pills	100

Incorrect Billing of Metric Decimal Quantities

On October 12, 2003 NC Medicaid began accepting NCPDP 5.1 metric decimal quantities. Claims that have a metric decimal quantity will now be billed using the manufacturer's ACTUAL package size instead of the rounded package size.

The standard "round up" policy for billing package sizes with decimal quantities will no longer be accepted. When billing package sizes with a metric decimal quantity, do not round up the number of units, instead use the manufacturer's ACTUAL package size listed on the product, e.g. 1.5 grams should be billed 1.5 grams. If billing multiples of a product that has a metric decimal quantity, such as Lovenox, the mls in the syringe should be multiplied by the number of syringes. For example, if 10 syringes of .3ml of Lovenox were dispensed, the total billed should be 3 ml (not 10 syringes).

Beginning April 9, 2004, all pharmacy claims, including paper should be submitted with the metric decimal quantity.

If a claim is denied for the billing of an unbreakable package size, the quantity needs to be corrected and the claim resubmitted using the correct units.

Below is a list of NDC's where we have noticed billing errors.

NDC	Drug	Metric Decimal Quantity
00075150616	Nasacort AQ Nasal Spray	16.5
00069313019	Zithromax 200mg/5ml Suspension	22.5
00168007038	Erythromycin Eye Ointment	3.5
00597008214	Atrovent Inhaler	14.7
00597001314	Combivent Inhaler	14.7
00186107008	Rhinocort AQUA Nasal Spray	8.6
49502068503	Ipratropium BR 0.02% Soln	2.5
00075062160	Lovenox 60mg prefilled syringe	0.60
00013830304	Xalatan 0.005% Eye Drops	2.5
00069313019	Zithromax 200mg/5ml Suspension	22.5
00046087293	Premarin Vaginal Cream/App.	42.5
00078036964	Denavir 1% Cream	1.5
00065064835	Tobradex Eye Ointment	3.5
00054309036	Butophranol 10mg/ml Spray	2.5
64116003106	Infergen 15mcg/0.5 ml	0.50
00085113201	Proventil HFA 90 mcg Inhaler	6.7
61570003775	Viroptic 1% Eye Drops	7.5
00051842530	Androgel 1% (25mg) gel packet	2.5

Remittance and Status Report

With the implementation of NCPDP 5.1 and metric decimal quantities, the RA will be changed to allow additional space to report the quantity at the decimal level if appropriate. Starting with the April 13, 2004 checkwrite, the drug name will no longer appear on the RA, but all other information will remain the same.

Narrow Therapeutic Index Drugs

N.C. General Statute 90-85.27 defines Narrow Therapeutic Index (NTI) drugs to mean those pharmaceuticals having a narrowly defined range between risk and benefit. Such drugs have less than a twofold difference in the minimum toxic concentration and minimum effective concentration in the blood or are those drug product formulations that exhibit limited or erratic absorption, formulation-dependent bioavailability, and wide inpatient pharmacokinetic variability that requires blood-level monitoring.

Drugs identified as having narrow therapeutic indices are designated as NTI drugs by the Secretary of the N.C. Department of Health and Human Services upon the advice of the State Health Director, the N.C. Board of Pharmacy, and the N.C. Medical Board, and are subject to the provisions of NCGS 90-85.28(b1).

The following list of NTI drugs is reviewed on an annual basis and submitted to the Office of Administrative Hearings by the N.C. Board of Pharmacy for publication in the N.C. Register.

Carbamazepine: all oral dosage forms

Cyclosporine: all oral dosage forms

Digoxin: all oral dosage forms

Ethosuximide

Levothyroxine sodium tablets

Lithium (including all salts): all oral dosage forms

Phenytoin (including all salts) all oral dosage forms

Procainamide

Theophylline (including all salts) all oral dosage forms

Warfarin sodium tablets

Federal Mac List Changes

Effective March 20, 2004 the following changes will be made to the Medicaid Drug Federal Upper Limit List:

FUL DeletionsGeneric Name

Bisoprolol Fumarate; Hydrochlorothiazide

10 mg; 6.25 mg, Tablet, Oral, 30

Chlorthalidone

25 mg, Tablet, Oral, 100

50 mg, Tablet, Oral, 100

Orphenadrine Citrate

100 mg, Tablet, Extended Release, Oral, 100

Promethazine Hydrochloride

6.25 mg/5 ml, Syrup, Oral, 120 ml

Trifluoperazine Hydrochloride

EQ 5 mg, Tablet, Oral, 100

FUL AdditionsGeneric NameFUL PRICE

Acetaminophen; Butalbital; Caffeine

500mg; 50mg; 40mg, Tablet, Oral 100

\$0.5399 B

Acetaminophen; Hydrocodone Bitartrate

500 mg, 2.5 mg, Tablet, Oral, 100

\$0.2190 B

Albuterol Sulfate

4 mg, Tablet, Oral, 100

\$0.1425 B

Amoxicillin

250 mg/5 ml, Powder for Reconstitution, Oral, 100

\$0.0281 B

Hydroxyzine Hydrochloride

25 mg, Tablet, Oral, 100

\$0.7134 B

Metformin Hydrochloride

500 mg, Tablet, Oral, 100

\$0.3557 B

850 mg, Tablet, Oral, 100

\$0.3863 B

FUL Additions, continued

<u>Generic Name</u>	<u>FUL PRICE</u>
Methocarbamol 750 mg, Tablet, Oral, 100	\$0.1792 B
Propafenone Hydrochloride 150 mg, Tablet, Oral, 100	\$1.1049 B
225 mg, Tablet, Oral, 100	\$1.5624 B

FUL Price Decreases

<u>Generic Name</u>	<u>FUL Price</u>
Erythromycin 250 mg, Capsule, Delayed Release Pellets, Oral, 100	\$0.1538 B
Isosorbide Dinitrate 5 mg, Tablet, Oral, 100	\$0.0198 R
10 mg, Tablet, Oral, 100	\$0.0205 R
Methocarbamol 500 mg, Tablet, Oral, 100	\$0.1425 B

FUL Price Increases

<u>Generic Name</u>	<u>FUL Price</u>
Carbidopa; Levodopa 25 mg; 100 mg, Tablet, Oral, 100	\$0.4455 B
25 mg; 250 mg; Tablet, Oral 100	\$0.5145 B
Clonidine Hydrochloride 0.3 mg, Tablet, Oral, 100	\$0.1830 B
Doxycycline Hydrochloride EQ 50 mg base, Capsule, Oral, 50	\$0.0945 R
EQ 100 mg base, Capsule, Oral, 50	\$0.1215 R
Gemfibrozil 600 mg, Tablet, Oral, 500	\$0.3800 B

FUL Price Increases (cont.)

<u>Generic Name</u>	<u>FUL Price</u>
Isosorbide Dinitrate 20 mg, Tablet, Oral, 100	\$0.0375 R
Primidone 250 mg, Tablet, Oral, 100	\$0.6956 R
Trazodone Hydrochloride 50 mg, Tablet, Oral, 100	\$0.0742 B
100 mg, Tablet, Oral, 100	\$0.1140 B
Triamcinolone Acetonide 0.5%, Topical, Cream, 15 gm	\$0.2370 B
Verapamil Hydrochloride 180 mg, Tablet, Extended Release, Oral, 100	\$0.4838 B

INFORMATIONAL SECTION**Payment Accuracy Measurement Project for 2004-05**

The Improper Payments Act of 2002 (HR 4878) requires federal government agencies to provide an estimate of their improper payments annually. CMS has awarded funding to 27 states to pilot and test a sampling and to review methodology in preparation for a nationwide implementation in the near future. The Division of Medical Assistance (DMA) will again be participating with this effort.

Sampling

DMA Program Integrity staff will:

- Select a statistically valid, random stratified sample for both Medicaid and the N.C. Health Choice programs. The mandatory strata will be:
 1. inpatient hospital services,
 2. long-term care services,
 3. independent practitioners and clinics,
 4. prescription drugs,
 5. home and community based services
 6. other supplies and services, and
 7. primary care case management.
- Select approximately 500 claims that paid in calendar year 2003.

- Contact each provider associated with a sampled paid claim and request specific medical documentation and records that support the services provided. (**Note:** If you are contacted, it is critical that you return this information as quickly as possible.)
- Review each claim and capitation payment in detail to determine whether or not the claim was paid accurately (there was sufficient medical documentation in the provider's medical record to support the claim, all necessary prior approvals were obtained; the provider complied with DMA policies and procedures, recipient was eligible on date of service, etc.).

Consequences of Non-response

If the medical documentation is not submitted, the claim will be coded as an error and will be recouped. Because the dollars in error are projected onto the total claims universe in North Carolina, the consequence of each error or non-response magnifies its impact. If the error rate is excessive, DMA may have to add controls or other limitations to address any problem areas that are identified. Therefore, even a small dollar claim payment can have a significant impact on how a particular service area is perceived.

Medical Record Requests

Also, please note that requests for medical records are a permitted disclosure under HIPAA privacy regulations. 45 CFR 164.512 states that “a covered entity may disclose protected health information to a health oversight agency for oversight activities authorized by law, including audits...or other activities necessary for the appropriate oversight of (1) the health care system; (2) government benefit programs for which health information is relevant to beneficiary eligibility; (3) entities subject to government regulatory programs for which health information is necessary for determining compliance with program standards; or (4) entities subject to civil rights laws for which health information is necessary for determining compliance.” In addition, Medicaid providers are required to comply with a medical records request from an authorized Medicaid employee.

We appreciate your continued cooperation. If you have any questions, please contact Chuck Brownfield, DMA Program Integrity at 919-733-6681, ext. 275. More information about the PAM project can be found at http://www.pampilot.org/tiki-custom_home.php

Checkwrite Schedule

March 2, 2004
March 9, 2004
March 16, 2004
March 25, 2004

April 6, 2004
April 13, 2004
April 20, 2004
May 5, 2004

May 4, 2004
May 11, 2004
May 18, 2004
May 27, 2004

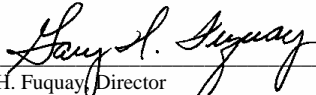
Electronic Cut-Off Schedule

February 27, 2004
March 5, 2004
March 12, 2004
March 19, 2004

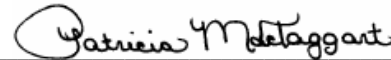
April 2, 2004
April 8, 2004
April 16, 2004
April 30, 2004

May 7, 2004
May 14, 2004
May 21, 2004

Electronic claims must be transmitted and completed by 5:00 p.m. on the cut-off date to be included in the next checkwrite. Any claims transmitted after 5:00 p.m. will be processed on the second checkwrite following the transmission date.



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